

By Barrientos Russo
Thuan

S.J.R. No. 2

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment providing for the issuance of
2 general obligation bonds by the Texas Higher Education Coordinating
3 Board.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III of the Texas Constitution is amended
6 by adding Section 50b-3 to read as follows:

7 Sec. 50b-3. ADDITIONAL STUDENT LOANS. (a) The legislature
8 by general law may authorize the Texas Higher Education
9 Coordinating Board or its successor or successors to issue and sell
10 general obligation bonds of the State of Texas in an amount not to
11 exceed \$300 million to finance educational loans to students. The
12 bonds are in addition to those bonds issued under Sections 50b,
13 50b-1, and 50b-2 of Article III of this constitution.

14 (b) The bonds shall be executed in the form, on the terms,
15 and in the denominations, bear interest, and be issued in
16 installments, as prescribed by the Texas Higher Education
17 Coordinating Board or its successor or successors.

18 (c) The maximum net effective interest rate to be borne by
19 bonds issued under this section must be set by law.

20 (d) The legislature may provide for the investment of bond
21 proceeds and may establish and provide for the investment of an
22 interest and sinking fund to pay the bonds. Income from the
23 investment shall be used for the purposes prescribed by the
24 legislature.

1 (e) While any of the bonds issued under this section or
2 interest on the bonds is outstanding and unpaid, there is
3 appropriated out of the first money coming into the treasury in
4 each fiscal year, not otherwise appropriated by this constitution,
5 the amount sufficient to pay the principal of and interest on the
6 bonds that mature or become due during the fiscal year, less any
7 amount in an interest and sinking fund established under this
8 section at the end of the preceding fiscal year that is pledged to
9 the payment of the bonds or interest.

10 (f) Bonds issued under this section, after approval by the
11 attorney general, registration by the comptroller of public
12 accounts, and delivery to the purchasers, are incontestable.

13 SECTION 2. This proposed constitutional amendment shall
14 be submitted to the voters at an election to be held on
15 November 5, 1991. The ballot shall be printed to provide
16 for voting for or against the proposition: "The
17 constitutional amendment providing for the issuance of
18 general obligation bonds not to exceed \$300,000,000 to
19 continue existing programs to provide educational loans to
20 students. Payment for the bonds will be from general
21 revenue which is intended to be reimbursed by repayment of
22 student loans."

By: Barrientos, Rosson S.J.R. No. 2
(In the Senate - Filed August 19, 1991; August 19, 1991, read first time and referred to Committee on Finance; August 22, 1991, reported adversely, with favorable Committee Substitute by the following vote: Yeas 9, Nays 0; August 22, 1991, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Montford	x			
Barrientos	x			
Armbrister	x			
Bivins	x			
Brooks				x
Haley	x			
Johnson				x
Parker				x
Ratliff				x
Sims	x			
Tejeda	x			
Truan	x			
Turner	x			

COMMITTEE SUBSTITUTE FOR S.J.R. No. 2

By: Barrientos

SENATE JOINT RESOLUTION

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(b) The bonds shall be executed in the form, on the terms and in the denominations, bear interest, and be issued in installments, as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond proceeds and may establish and provide for the investment of an interest and sinking fund to pay the bonds. Income from the investment shall be used for the purposes prescribed by the legislature.

(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 5, 1991. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment providing for the issuance of general obligation bonds not to exceed \$300,000,000 to continue existing programs to provide educational loans to students. Student loan repayments will reimburse the

General Revenue Fund for bond payments."

* * * * *

Austin, Texas
August 22, 1991

Hon. Bob Bullock
President of the Senate

Sir:

We, your Committee on Finance to which was referred S.J.R. No. 2, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Montford, Chairman

**FAVORABLY AS SUBSTITUTED
SENATE COMMITTEE REPORT ON**

SB SCR SJR SR HB HCR HJR 2

By Barrientos
(Author/Senate Sponsor)

8-22-91
(date of submission to Senate)

Lt. Governor Bob Bullock
President of the Senate

Sir:

We, your Committee on Finance, to which was referred the attached measure, have on 8-22-91, had the same under consideration and I am instructed to report it back with the recommendation (s) that it:

- (☒) do pass as substituted, and be printed
 (☒) the caption remained the same as original measure
 (☐) the caption changed with adoption of the substitute
 (☐) do pass as substituted, and be ordered not printed
 (☐) and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. (☒) yes (☐) no

A revised fiscal note was requested. (☒) yes (☐) no

An actuarial analysis was requested. (☐) yes (☒) no

Considered by subcommittee. (☐) yes (☒) no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Montford, Chairman	<input checked="" type="checkbox"/>			
Barrientos, Vice-Chairman	<input checked="" type="checkbox"/>			
Armbrister	<input checked="" type="checkbox"/>			
Bivins	<input checked="" type="checkbox"/>			
Brooks			<input checked="" type="checkbox"/>	
Haley	<input checked="" type="checkbox"/>			
Johnson			<input checked="" type="checkbox"/>	
Parker			<input checked="" type="checkbox"/>	
Ratliff			<input checked="" type="checkbox"/>	
Sims	<input checked="" type="checkbox"/>			
Tejeda	<input checked="" type="checkbox"/>			
Truan	<input checked="" type="checkbox"/>			
Turner	<input checked="" type="checkbox"/>			
TOTAL VOTES	9	0	4	0

COMMITTEE ACTION

S260 Considered in public hearing
S270 Testimony taken

[Signature]
COMMITTEE CLERK

[Signature]
CHAIRMAN

Paperclip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute
 Deliver one copy of this form to the Calendar Clerk, Room 218 Capitol
 Deliver one copy of this form to the Legislative Reference Library, Room 207B Capitol
 Retain one copy of this form for Committee files

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

August 22, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 2,
Second Called Session

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 2, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

The bill proposes a constitutional amendment which would authorize the Texas Higher Education Coordinating Board to sell up to \$300 million in general obligation bonds to be used for loans to students attending institutions of higher education in Texas. The bonds would be general obligations of the state. If the total proposed authorization of \$300 million is sold, the estimated annual debt service would be approximately \$28.5 million each year. The college student loan program is designed to be self supporting and bonds would, in all probability be repaid from repayment of student loans and other program revenues. A constitutionally authorized draw on general revenue would occur only if program revenues are insufficient to cover bond debt service.

The estimated cost of the constitutional amendment is \$60,000.

No fiscal implication to units of local government is anticipated.

Source: Bond Review Board; Higher Education Coordinating Board; Secretary of State;
LBB Staff: JO, JWH, DF, EC, PA

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

August 20, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 2,
Second Called Session
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 2, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

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LBB Staff: JO, JWH, DF, EC, LC

Barrientos

RESF
RM
e place

By: Barrientos, Rosson, Truan

Substitute the following for ^{No.} SJR 2.

No.
SJR 12

C.S. SJR 2
No.

By: Barrientos

SENATE
A JOINT RESOLUTION

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3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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5 Section 50b-3 to read as follows:

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7 may authorize the Texas Higher Education Coordinating Board or its successor or
8 successors to issue and sell general obligation bonds of the State of Texas in
9 an amount not to exceed \$300 million to finance educational loans to students.
10 The bonds are in addition to those bonds issued under Sections 50b, 50b-1, and
11 50b-2 of Article III of this constitution.

12 (b) The bonds shall be executed in the form, on the terms and in the
13 denominations, bear interest, and be issued in installments, as prescribed by the
14 Texas Higher Education Coordinating Board or its successor or successors.

15 (c) The maximum net effective interest rate to be borne by bonds issued
16 under this section must be set by law.

17 (d) The legislature may provide for the investment of bond proceeds and
18 may establish and provide for the investment of an interest and sinking fund to
19 pay the bonds. Income from the investment shall be used for the purposes
20 prescribed by the legislature. 1/2

21 (e) While any of the bonds issued under this section or interest on the
22 bonds is outstanding and unpaid, there is appropriated out of the first money
23 coming into the treasury in each fiscal year, not otherwise appropriated by this
24 constitution, the amount sufficient to pay the principal of and interest on the

8-22-91

8-23-91

8-24-91

8-25-91 W/H.A.

21/2/91

1 bonds that mature or become due during the fiscal year, less any amount in an
2 interest and sinking fund established under this section at the end of the
3 preceding fiscal year that is pledged to the payment of the bonds or interest.

4 (f) Bonds issued under this section, after approval by the attorney
5 general, registration by the comptroller of public accounts, and delivery to the
6 purchasers, are incontestable.

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8 the voters at an election to be held on November 5, 1991. The ballot shall be
9 printed to provide for voting for or against the proposition: "The

10 ~~Constitutional amendment providing for the issuance of general obligation bonds~~
11 ~~not to exceed \$300,000,000 to continue existing programs to provide educational~~
12 ~~loans to students. Student loan repayments will reimburse the General Revenue~~
13 ~~Fund for bond payments."~~

Insert House Am. #1

filed

ADOPTED

AUG 25 1991

Betty Murray
Chief Clerk
House of Representatives

Floor Amendment No.

①

By

CAVAZOS

Amend C.S.S.J.R. No. 2 by striking the proposition language and substituting the following:

"The constitutional amendment providing for the issuance of general obligation bonds not to exceed \$300,000,000 to continue existing programs to provide educational loans to students, with repayments of student loans applied toward retirement of the bonds."

House Am. # 1
8-25-91

phase

August 23 1991 Engrossed

Larry Span
Engrossing Clerk

AUG 23 1991

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct
copy of STR. 2, which was
received from the Senate AUG 23 1991 and
referred to the Committee on Higher Education

Betty Murray
Chief Clerk of the House

By: Barrientos, Rosson, Truan
(Cavazos)

S.J.R. No. 2

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19 loans to students. Student loan repayments will reimburse the
20 General Revenue Fund for bond payments."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

August 22, 1991

TO: Honorable John Montford, Chairman IN RE: Committee Substitute for
Committee on Finance Senate Joint Resolution No. 2,
Senate Chamber Second Called Session
Austin, Texas

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 2, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

The bill proposes a constitutional amendment which would authorize the Texas Higher Education Coordinating Board to sell up to \$300 million in general obligation bonds to be used for loans to students attending institutions of higher education in Texas. The bonds would be general obligations of the state. If the total proposed authorization of \$300 million is sold, the estimated annual debt service would be approximately \$28.5 million each year. The college student loan program is designed to be self supporting and bonds would, in all probability be repaid from repayment of student loans and other program revenues. A constitutionally authorized draw on general revenue would occur only if program revenues are insufficient to cover bond debt service.

The estimated cost of the constitutional amendment is \$60,000.

No fiscal implication to units of local government is anticipated.

Source: Bond Review Board; Higher Education Coordinating Board; Secretary of State;
LBB Staff: JO, JWH, DF, EC, PA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

August 20, 1991

TO: Honorable John Montford, Chairman IN RE: Senate Joint Resolution No. 2,
Committee on Finance Second Called Session
Senate Chamber By: Barrientos
Austin, Texas

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LBB Staff: JO, JWH, DF, EC, LC

HOUSE COMMITTEE REPORT

91 AUG 20 PM 6:52

1st Printing

By: Barrientos, Rosson, Truan
(Cavazos)

S.J.R. No. 2

SENATE JOINT RESOLUTION

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17 for the issuance of general obligation bonds not to exceed
18 \$300,000,000 to continue existing programs to provide educational
19 loans to students. Student loan repayments will reimburse the
20 General Revenue Fund for bond payments."

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

8-23-91
(date)

Sir:
We, your COMMITTEE ON HIGHER EDUCATION,
to whom was referred SJR 2 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

- (☒) do pass, without amendment.
() do pass, with amendment(s).
() do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (☒) yes () no An author's fiscal statement was requested. () yes (☒) no

A criminal justice policy impact statement was requested. () yes (☒) no

An equalized educational funding impact statement was requested. () yes (☒) no

An actuarial analysis was requested. () yes (☒) no

A water development policy impact statement was requested. () yes (☒) no

A federal funds impact statement was requested. () yes (☒) no

() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

This measure () proposes new law. (☒) amends existing law.

House Sponsor of Senate Measure REP. CAVAZOS

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Watkins, Ch.	<input checked="" type="checkbox"/>			
Hill, F., V.C.	<input checked="" type="checkbox"/>			
Hunter, B., C.B.O.	<input checked="" type="checkbox"/>			
Delco	<input checked="" type="checkbox"/>			
Kubiak				<input checked="" type="checkbox"/>
Moreno	<input checked="" type="checkbox"/>			
Rangel	<input checked="" type="checkbox"/>			
Thomas	<input checked="" type="checkbox"/>			
Uher	<input checked="" type="checkbox"/>			

Total 8 aye
0 nay
0 present, not voting
1 absent

Gary L. Watkins
CHAIRMAN
Deborah K. McCale
COMMITTEE COORDINATOR

BILL ANALYSIS

By: Barrientos
(Cavazos)

S.J.R. 2

BACKGROUND:

Under current law, state agencies may not sell more than \$50 million in bonds each year. Demands for student loans have exceeded the Hinson-Hazlewood Student Loan Program fund balance, and by 1992, annual loan demand is projected to exceed \$100 million.

In order to meet this demand, the 72nd Legislature during the regular session passed S.J.R. 5, which gave voters the opportunity to approve a constitutional amendment that would have authorized the Texas Higher Education Coordinating Council to issue up to \$300 million in general revenue bonds for additional student loans.

However, on August 10, Texas voters rejected the constitutional amendment that would have authorized the issuance of \$300 million in general obligation bonds to provide educational loans for students. The loans would have been low-interest college loans for students in our colleges and universities.

The wording on the ballot did not clearly or sufficiently describe the issue, nor did it state the actual amount of bonds that would have been authorized. Many blame the failure of the proposition on the unclear ballot language.

PURPOSE:

As proposed, S.J.R. 2 provides for a constitutional amendment to allow the Texas Higher Education Coordinating Council to issue up to \$300 million in general revenue bonds to finance student loans.

SECTION BY SECTION ANALYSIS:

SECTION 1. Adds Section 50b-3, Article III, Texas Constitution.

- Allows the legislature to authorize the Texas Higher Education Coordinating Board (board) to issue and sell up to \$300 million in general obligation bonds to finance education loans.
- Provides for the execution of the bonds as prescribed by the board.
- Provides that the interest rate on the bonds is to be set by law.
- Allows the legislature to provide for the investment of bond proceeds.
- Appropriates certain state funds to pay the principal and interest on the bonds that mature.

SECTION 2. Requires this amendment to be submitted to the voters for approval on November 5, 1991:

"The constitutional amendment providing for the issuance of general obligation bonds not to exceed \$300 million to continue existing programs to provide educational loans to students. Student loan repayments will reimburse the General Revenue Fund for bond payments."

RULEMAKING AUTHORITY

It is the opinion of the Committee that this measure does not grant any new rulemaking authority to any state officer, agency, or department.

SUMMARY OF COMMITTEE ACTION

Pursuant to announcement on the House Floor while the House was in session, on August 23, 1991, S.J.R. 2 was considered in formal meeting in the Speaker's Committee Room at 4:00 P.M. The Chair laid out S.J.R. 2. Rep. Delco moved that it be reported to the House with a favorable recommendation; the motion prevailed by a record vote of 8 Ayes, 0 Nays, 1 Absent, and 0 PNV.

Committee on Higher Education
(8-23-91)
nhn

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

August 23, 1991

TO: Honorable Gary Watkins, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No. 2,
as engrossed
Second Called Session
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 2, as engrossed, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

The bill proposes a constitutional amendment which would authorize the Texas Higher Education Coordinating Board to sell up to \$300 million in general obligation bonds to be used for loans to students attending institutions of higher education in Texas. The bonds would be general obligations of the state. If the total proposed authorization of \$300 million is sold, the estimated annual debt service would be approximately \$28.5 million each year. The college student loan program is designed to be self supporting and bonds would, in all probability be repaid from repayment of student loans and other program revenues. A constitutionally authorized draw on general revenue would occur only if program revenues are insufficient to cover bond debt service.

The estimated cost of the constitutional amendment is \$60,000.

No fiscal implication to units of local government is anticipated.

Source: Bond Review Board; Higher Education Coordinating Board; Secretary of State;
LBB Staff: JO, JWH, DF, EC, LC

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

August 22, 1991

**TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas**

**IN RE: Committee Substitute for
Senate Joint Resolution No. 2,
Second Called Session**

FROM: Jim Oliver, Director

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LEGISLATIVE BUDGET BOARD
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FISCAL NOTE

August 20, 1991

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Committee on Finance Second Called Session
Senate Chamber By: Barrientos
Austin, Texas

FROM: Jim Oliver, Director

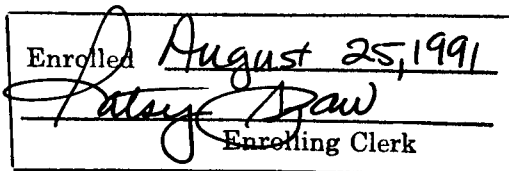
In response to your request for a Fiscal Note on Senate Joint Resolution No. 2, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

The bill proposes a constitutional amendment which would authorize the Texas Higher Education Coordinating Board to sell up to \$300 million in general obligation bonds to be used for loans to students attending institutions of higher education in Texas. The bonds would be general obligations of the state. If the total proposed authorization of \$300 million is sold, the estimated annual debt service would be approximately \$28.5 million each year. The college student loan program is designed to be self supporting and bonds would, in all probability be repaid from repayment of student loans and other program revenues. A constitutionally authorized draw on general revenue would occur only if program revenues are insufficient to cover bond debt service.

The estimated cost of the constitutional amendment is \$60,000.

No fiscal implication to units of local government is anticipated.

Source: Bond Review Board; Higher Education Coordinating Board; Secretary of State;
LBB Staff: JO, JWH, DF, EC, LC



S.J.R. No. 2

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment providing for the issuance of
2 general obligation bonds by the Texas Higher Education Coordinating
3 Board.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III of the Texas Constitution is amended
6 by adding Section 50b-3 to read as follows:

7 Sec. 50b-3. ADDITIONAL STUDENT LOANS. (a) The legislature
8 by general law may authorize the Texas Higher Education
9 Coordinating Board or its successor or successors to issue and sell
10 general obligation bonds of the State of Texas in an amount not to
11 exceed \$300 million to finance educational loans to students. The
12 bonds are in addition to those bonds issued under Sections 50b,
13 50b-1, and 50b-2 of Article III of this constitution.

14 (b) The bonds shall be executed in the form, on the terms
15 and in the denominations, bear interest, and be issued in
16 installments, as prescribed by the Texas Higher Education
17 Coordinating Board or its successor or successors.

18 (c) The maximum net effective interest rate to be borne by
19 bonds issued under this section must be set by law.

20 (d) The legislature may provide for the investment of bond
21 proceeds and may establish and provide for the investment of an
22 interest and sinking fund to pay the bonds. Income from the
23 investment shall be used for the purposes prescribed by the
24 legislature.

1 (e) While any of the bonds issued under this section or
2 interest on the bonds is outstanding and unpaid, there is
3 appropriated out of the first money coming into the treasury in
4 each fiscal year, not otherwise appropriated by this constitution,
5 the amount sufficient to pay the principal of and interest on the
6 bonds that mature or become due during the fiscal year, less any
7 amount in an interest and sinking fund established under this
8 section at the end of the preceding fiscal year that is pledged to
9 the payment of the bonds or interest.

10 (f) Bonds issued under this section, after approval by the
11 attorney general, registration by the comptroller of public
12 accounts, and delivery to the purchasers, are incontestable.

13 SECTION 2. This proposed constitutional amendment shall be
14 submitted to the voters at an election to be held on November 5,
15 1991. The ballot shall be printed to provide for voting for or
16 against the proposition: "The constitutional amendment providing
17 for the issuance of general obligation bonds not to exceed
18 \$300,000,000 to continue existing programs to provide educational
19 loans to students, with repayments of student loans applied toward
20 retirement of the bonds."

S.J.R. No. 2

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 2 was adopted by the Senate on August 23, 1991, by the following vote: Yeas 28, Nays 0; and that the Senate concurred in House amendment on August 25, 1991, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 2 was adopted by the House, with amendment, on August 25, 1991, by the following vote: Yeas 110, Nays 18, one present not voting.

Chief Clerk of the House

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

August 23, 1991

TO: Honorable Gary Watkins, Chair
Committee on Higher Education
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution No. 2,
as engrossed
Second Called Session
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 2, as engrossed, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

The bill proposes a constitutional amendment which would authorize the Texas Higher Education Coordinating Board to sell up to \$300 million in general obligation bonds to be used for loans to students attending institutions of higher education in Texas. The bonds would be general obligations of the state. If the total proposed authorization of \$300 million is sold, the estimated annual debt service would be approximately \$28.5 million each year. The college student loan program is designed to be self supporting and bonds would, in all probability be repaid from repayment of student loans and other program revenues. A constitutionally authorized draw on general revenue would occur only if program revenues are insufficient to cover bond debt service.

The estimated cost of the constitutional amendment is \$60,000.

No fiscal implication to units of local government is anticipated.

Source: Bond Review Board; Higher Education Coordinating Board; Secretary of State;
LBB Staff: JO, JWH, DF, EC, LC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

August 22, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 2,
Second Called Session

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 2, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

The bill proposes a constitutional amendment which would authorize the Texas Higher Education Coordinating Board to sell up to \$300 million in general obligation bonds to be used for loans to students attending institutions of higher education in Texas. The bonds would be general obligations of the state. If the total proposed authorization of \$300 million is sold, the estimated annual debt service would be approximately \$28.5 million each year. The college student loan program is designed to be self supporting and bonds would, in all probability be repaid from repayment of student loans and other program revenues. A constitutionally authorized draw on general revenue would occur only if program revenues are insufficient to cover bond debt service.

The estimated cost of the constitutional amendment is \$60,000.

No fiscal implication to units of local government is anticipated.

Source: Bond Review Board; Higher Education Coordinating Board; Secretary of State;
LBB Staff: JO, JWH, DF, EC, PA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE

August 20, 1991

TO: Honorable John Montford, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 2,
Second Called Session
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 2, Second Called Session (proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board) this office has determined the following:

The bill proposes a constitutional amendment which would authorize the Texas Higher Education Coordinating Board to sell up to \$300 million in general obligation bonds to be used for loans to students attending institutions of higher education in Texas. The bonds would be general obligations of the state. If the total proposed authorization of \$300 million is sold, the estimated annual debt service would be approximately \$28.5 million each year. The college student loan program is designed to be self supporting and bonds would, in all probability be repaid from repayment of student loans and other program revenues. A constitutionally authorized draw on general revenue would occur only if program revenues are insufficient to cover bond debt service.

The estimated cost of the constitutional amendment is \$60,000.

No fiscal implication to units of local government is anticipated.

Source: Bond Review Board; Higher Education Coordinating Board; Secretary of State;
LBB Staff: JO, JWH, DF, EC, LC

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 2 was adopted by the Senate on August 23, 1991, by the following vote: Yeas 28, Nays 0; and that the Senate concurred in House amendment on August 25, 1991, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 2 was adopted by the House on August 25, 1991, by the following vote: Yeas 110, Nays 18, one present not voting.

, with amendment,

Chief Clerk of the House

proposing a constitutional amendment providing for the issuance of
general obligation bonds by the Texas Higher Education Coordinating Board.

8-19-91

Filed with the Secretary of the Senate

AUG 19 1991

Read and referred to Committee on FINANCE

Reported favorably

AUG 22 1991

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

AUG 23 1991

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

____ years, ____ nays

AUG 23 1991

Read second time, _____, and ordered engrossed by:

unanimous consent
a viva voce vote

____ years, ____ nays

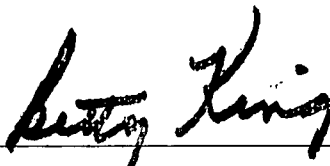
AUG 23 1991

Caption ordered amended to conform to the body of the bill.

AUG 23 1991

Senate and Constitutional 3 Day Rule suspended by a vote of 28 yeas, 0 nays.

AUG 23 1991

Read third time, _____, and passed by: 28 yeas, 0 nays


SECRETARY OF THE SENATE

OTHER ACTION:

August 23, 1991

Engrossed

August 23, 1991

Sent to House

Engrossing Clerk

AUG 23 1991

Received from the Senate

AUG 23 1991

Read first time and referred to Committee on Higher Education

AUG 23 1991

Reported favorably amended, sent to Printer 5:45p

AUG 23 1991

Printed and Distributed 6:52p

Aug 24, 1991

Sent to Committee on Calendars 8:34am

AUG 25 1991

Read Second time amended and finally adopted
failed adoption by Record Vote of 99 yeas, 15 nays 1 present not voting.

AUG 25 1991

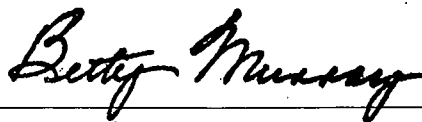
Read third time amended and finally adopted
failed adoption by Record Vote of 110 yeas, 18 nays 1 present not voting.

AUG 25 1991

Caption ordered amended to conform to body of bill.

AUG 25 1991

Returned to Senate.



CHIEF CLERK OF THE HOUSE

AUG 25 1991

Returned from House without amendment.

AUG 25 1991

Returned from House with 1 amendments.Concurred in House amendments by a viva voce vote 31 yeas, 0 nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____
_____, _____, and _____

_____ House granted Senate request. House conferees appointed: _____, Chairman;
_____, _____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by: _____

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays

91 AUG 23 11 13 AM '15

HOUSE OF REPRESENTATIVES

sent